

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Confirmation No.: 4132

William L. Honnef, et al.

Examiner: Khanh H. Le

Serial No.: 09/914,287

Group Art Unit No.: 3688

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For: STORED VALUE ELECTRONIC  
CERTIFICATE PROCESSING

**Via EFS**

Commissioner for Patents  
Alexandria, VA

REPLY BRIEF

Sir:

This brief is submitted in reply to the Examiner's Answer mailed September 15, 2009, and may be timely filed on or before November 15, 2009.

**I. THE EXAMINER'S ANSWER FAILS TO ESTABLISH THAT *PHILLIPS* ANTICIPATES THE CLAIMED INVENTION**

**A. The Examiner's Arguments About the Issuing Limitations Are Incorrect**

**1. The Claim Limitations Do Not Mean Only that Someone Bought the Certificate**

Appellant's opening brief establishes that *Phillips* fails to provide the limitations of Claim 1 relating to issuing.

The Examiner's Answer contends, at pages 10 and 11, that these limitations of Claim 1 may be read as reciting an **electronic stored value certificate** "that transfers value from a first account associated with a purchaser of the electronic stored value certificate to a second account associated with a merchant." The Examiner's Answer proceeds to contend that "[i]n other words, the limitation basically just means that someone bought the certificate" (emphasis in the Examiner's Answer). This is erroneous.

The Examiner's contentions amount to an argument that the limitations of Claim 1 can be

met by simply an issuance of a purchase card without successfully carrying out a purchase transaction that transfers a value to **an account associated with a merchant**. Respectfully, the Examiner's contentions are incorrect.

Claim 1 specifically recites "issuing the electronic stored value certificate from a certificate issuer in response to successfully carrying out a **purchase transaction that transfers value from a first account associated with a purchaser of the electronic stored value certificate to a second account associated with a merchant**" (emphasis added). The clause in Claim 1 that begins with "that" immediately follows the phrase "a purchase transaction." In comparison, the phrase "the electronic stored value certificate" is separated from the clause at issue by thirteen words. A person skilled in the art would clearly understand that the clause starting from "that" describes the purchase transaction, rather than the electronic stored value certificate, based on normal English usage.

Even from a perspective of a person of skill in the art, the Examiner's contentions are unreasonable, as an electronic stored value certificate may be used in a transaction but is not a transaction that transfers a value.

For these reasons, the Examiner's contentions that the clause at issue describes the electronic stored value certificate rather than the purchase transaction and that therefore the limitations of Claim 1 can simply be read as "**someone bought the certificate**" are incorrect.

## **2. The Explicitly Recited Claim Limitation Is Within the Scope of the Claim Step**

The Examiner's Answer, at page 11, line 5, correctly refers to the clause at issue, as discussed previously, as a **claim limitation**. Nevertheless, the Examiner's Answer contradictorily contends that the claim limitation "is **outside the scope of the claim step**" because "**the transfer of value is not a positively recited feature of Claim 1**" (emphasis in Examiner's Answer). The Examiner's Answer then proceeds to contend that the claim limitation should not be given patentable weight. Respectfully, the Examiner's contentions are incorrect under well-established law. In particular, the Examiner's Answer appears to ignore the long-

extant rule that "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

Claim 1 specifically recites the clause at issue as a part of a condition precedent to issuing the electronic stored value certificate. In Claim 1, issuing the electronic stored value certificate is performed in response to successfully carrying out (therefore after) a purchase transaction, which transaction is further described by the clause at issue. Under the rule of *Wilson*, the claim limitation including all words that constitute the condition precedent is material to Claim 1 and should be considered in judging the patentability of Claim 1 against the *Phillips* reference.

Indeed, by labeling the clause as a claim limitation outside the scope of the claim step and by asserting that the clause should be given no patentable weight, the Examiner admits that not all words in Claim 1 have been considered by the Examiner in judging the patentability of Claim 1 against *Phillips*—and this admission alone constitutes clear error and mandates reversal of the Examiner.

For these reasons, the Examiner's contentions that the clause at issue should be given no patentable weight are incorrect. The Examiner should be reversed.

### **3. Issuing the Certificate Occurs After Value is Transferred to an Account Associated with a Merchant**

*Phillips*'s purchase card is issued before any merchant is involved with the purchase card. Moreover, issuance of *Phillips*'s purchase card *occurs* before any value is transferred to an account associated with a merchant at which the purchase card is used, even if using *Phillips*'s purchase card can be analogized to a redemption transaction of Claim 1. Thus, *Phillips* cannot possibly disclose issuing an electronic stored value certificate after the purchase transaction that transfers a value to an account associated with a merchant at which the redemption transaction occurs, as claimed.

Seeking to cure this defect of *Phillips*, the Examiner's Answer, at page 11, lines 9-12, argues that an electronic stored value certificate is "issued after a transfer of funds to an

account of a merchant” is not claimed in Claim 1. Respectfully, this is incorrect.

Claim 1 specifically recites the condition precedent of successfully carrying out a purchase transaction that transfers a value to an account associated with a merchant. Thus, the issuing of the electronic stored value certificate is after – i.e., **in response to successfully carrying out** – the purchase transaction that transfers a value (which is alternatively referred to as “funds”) to an account associated with a merchant (which is alternatively referred to as “an account of a merchant”).

The Examiner’s argument misconstrues Claim 1 and is therefore incorrect. For at least this reason, the Examiner should be reversed.

#### **4. The Examiner Fails to Consider All Words in the Claim**

Without citing any legal authority, the Examiner’s Answer, at page 11, lines 13-21, asserts that the claim clause that qualifies the purchase transaction, as previously discussed, should be given no patentable weight because the clause is **non-functional descriptive material**. Similarly, the Examiner’s Answer erroneously asserts that the condition precedent “successfully carrying out a purchase transaction,” as discussed above, is a **signal**. Respectfully, these assertions are incorrect.

The Examiner apparently confuses a rejection under 35 U.S.C. §102(e) with a §101 rejection. “Non-functional descriptive material” and “signal” are terms of art in non-prior-art based §101 rejections relating to determining whether a claim recites patent eligible subject matter. There is no legal basis, and the Examiner cites none, that an explicitly recited limitation in a claim can be ignored or given no patentable weight by arbitrarily labeling the claim feature as non-functional descriptive material or a signal, in prior-art based §102(e) rejection.

The Examiner argues that Claim 1 is anticipated by *Phillips* under §102(e). The Examiner is required to consider all words of the claim. Since the issuance of the electronic stored value certificate is contingent on successfully carrying out the purchase transaction in Claim 1, the Examiner must show that the cited reference also provides this feature, in order to meet the burden of proof that *Phillips* anticipates Claim 1. The rejections fail to do so.

In particular, by dismissing certain claim limitations as non-functional descriptive material or as a signal, the Examiner fails to consider all the claim limitations and fails to meet the burden of proof for a §102(e) rejection. For at least this reason, the Examiner should be reversed.

- B. The Examiner's Arguments Relating to a Redemption Transaction are Incorrect**
  - 1. The Third Party Processor of *Phillips* Fails to Suggest a Redemption Transaction through a Certificate Not Negotiable in a Commercial Credit Card Network**

The Examiner's Answer asserts, at pages 12 and 13, that Appellant's specification lacks description for the claimed feature of "wherein the unique identification value is a random value that is non-negotiable in a commercial credit card network; wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network." The Examiner's Answer further asserts that "in the absent of specific definitions," The Examiner reasonably interprets that the existence of a "third part processor" in *Phillips* suggest the claimed features. Respectfully, these assertions are incorrect.

As established in Appellant's opening brief, Appellant's specification provides ample support for the recited features. For example, the specification describes at page 20, the second last line – page 21, line 1, that, in one disclosed embodiment, "[w]hen recipient 908 wishes to redeem the certificate, **only merchant 3A will recognize or accept the certificate** 906 because merchant identifier "3" is associated only with merchant 3A" (emphasis added). The specification describes at page 19, lines 25 – 28, that, in one disclosed embodiment, the electronic stored value certificate process 112 performs a Redeem Certificate function without invoking the payment server 113 – which would send requests to traverse the commercial credit card networks.

*Phillips* does not suggest the recited features of Claim 1. The third party processor of

*Phillips* processes only the **issuance** of purchase cards. There is no description in *Phillips* that the third party processor is even involved when the purchase card is **used** or redeemed under the Examiner's analogy, much less suggests the claimed feature of "wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network."

For these reasons, the Examiner's contentions that the existence of a third part processor of *Phillips* for issuing purchase cards suggests the claimed features of "wherein the unique identification value is a random value that is non-negotiable in a commercial credit card network; wherein the unique identification value is operable for redemption of the electronic stored value certificate at the merchant by communication of the merchant with the certificate issuer in a redemption transaction that does not traverse the commercial credit card network" are incorrect.

## **2. The Examiner Errs by Ignoring Recited Claim Features**

The Examiner's Answer, at pages 13 and 14, line 5, contends that the claimed features, as discussed above, should be ignored because the recited features in the "wherein" clauses are not actions in the method claim. The Examiner also contends that the claimed features should be ignored because the unique identification value being a random value is non-functional descriptive material. Respectfully, these contentions are legally erroneous because all words in a claim must be considered in judging the patentability of that claim against the prior art, as previously discussed. *In re Wilson* at 1385. Each "wherein" clause recites a practical feature of the claims that must be found in the prior art for the art to anticipate the claim. The Examiner clearly errs in ignoring the "wherein" clauses, and this error alone mandates reversal by the Board.

## **C. The Examiner's Arguments Relating to Displaying the New Value Are Incorrect**

Claim 1 recites "**determining a new face value by reducing** the initial face value of the electronic stored value certificate by a portion of the initial face value in response to receiving

information indicating redemption at the merchant of the portion of the initial face value for goods or services, and ... **displaying the new face value** of the electronic stored value certificate to the recipient” (emphasis added). The Examiner’s Answer argues, at pages 14 and 15, that *Phillips*, at col. 4, lines 46-57; col. 5, lines 1-5; col. 2, lines 57-59 and 65-67, suggests these claimed features because *Phillips* allows card users to add an additional purchase value to the purchase card. Respectfully, this argument is incorrect.

*Phillips* fails to disclose any displaying-related feature. *Phillips* is devoid of any mention of displaying a new face value. The cited passages of *Phillips* at most refer to a server that the users communicate to add additional purchase values to purchase cards. There is no redemption transaction in adding additional purchase values to purchase cards. The new face value of the purchase card in *Phillips*, with additional purchase values added, is not even a new face value as determined in a redemption transaction, even if hypothetically the new face value of the purchase card is displayed to the recipient in *Phillips*.

However, in this case, even if *Phillips* suggests displaying a new value of the purchase card, which is not supported, it is still not sufficient to prove that *Phillips* suggests “displaying the new face value of the electronic stored value certificate to the recipient” as determined “by reducing the initial face value of the electronic stored value certificate by a portion of the initial face value in response to receiving information indicating redemption at the merchant of the portion of the initial face value for goods or services” as claimed.

For these reasons, the Examiner’s argument that *Phillips* suggests the claimed displaying features of Claim 1 is incorrect.

## II. CONCLUSION

For all the foregoing reasons, the Examiner should be reversed.

Respectfully submitted,

HICKMAN PALERMO TRUONG & BECKER LLP

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/ZhichongGu#56543/

Zhichong Gu

Reg. No. 56,543

2055 Gateway Place, Suite 550  
San Jose, California 95110-1089  
Tel: (408) 414-1236  
Fax: (408) 414-1076